

# House File 483 - Introduced

HOUSE FILE 483

BY GASKILL

## A BILL FOR

1 An Act providing an individual income tax credit for the  
2 care of individuals with Alzheimer's disease or other  
3 dementia-related illnesses and including applicability  
4 provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.12, subsection 1, Code 2017, is  
2 amended by adding the following new paragraphs:

3 NEW PARAGRAPH. *0a.* "*Activities of daily living*" means the  
4 same as defined in section 7702B(c)(2)(B) of the Internal  
5 Revenue Code.

6 NEW PARAGRAPH. *00a.* "*Applicable individual*" means an  
7 individual who has been diagnosed by a physician as having  
8 Alzheimer's disease or another dementia-related illness and who  
9 has been certified by a physician as being unable to perform  
10 for at least one hundred eighty consecutive days at least one  
11 activity of daily living without substantial assistance from  
12 another individual due to a loss of functional capacity.

13 NEW PARAGRAPH. *0c.* "*Physician*" means an individual  
14 authorized to practice medicine and surgery or osteopathic  
15 medicine and surgery under the laws of any state.

16 Sec. 2. Section 422.12, subsection 2, Code 2017, is amended  
17 by adding the following new paragraph:

18 NEW PARAGRAPH. *e.* (1) A caregiver tax credit equal to five  
19 hundred dollars if the taxpayer is an eligible caregiver for  
20 the tax year to one or more applicable individuals.

21 (2) (a) An applicable individual shall have only one  
22 eligible caregiver for purposes of the credit.

23 (b) A taxpayer shall be treated as an eligible caregiver  
24 for any tax year with respect to the taxpayer's spouse or a  
25 dependent who is an applicable individual.

26 (c) (i) If more than one individual could be considered  
27 an eligible caregiver with respect to the same applicable  
28 individual for a tax year, the applicable individual shall be  
29 treated as the eligible caregiver for purposes of receiving  
30 the credit if each of the individuals who could be considered  
31 an eligible caregiver files a written declaration that the  
32 individual will not claim the applicable individual for the  
33 credit. The written declaration shall be made in the manner  
34 and form prescribed by rule by the department.

35 (ii) If each individual who could be considered an eligible

1 caregiver does not file a written declaration as described in  
2 subparagraph subdivision (i), the individual with the highest  
3 net income for the tax year shall be treated as the eligible  
4 caregiver.

5 (d) If no other individual is an eligible caregiver  
6 with respect to an applicable individual for a tax year,  
7 the applicable individual shall be treated as the eligible  
8 caregiver for purposes of receiving the credit.

9 (3) A credit shall not be allowed under this paragraph "e"  
10 for any eligible caregiver whose net income for the tax year is  
11 equal to or exceeds one hundred thousand dollars in the case of  
12 married persons filing jointly, or fifty thousand dollars in  
13 the case of all other persons.

14 Sec. 3. APPLICABILITY. This Act applies to tax years  
15 beginning on or after January 1, 2018.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with  
18 the explanation's substance by the members of the general assembly.

19 This bill provides a nonrefundable caregiver tax credit  
20 against the individual income tax equal to \$500 for a taxpayer  
21 who is an eligible caregiver for the tax year to one or more  
22 applicable individuals. "Applicable individual" is defined to  
23 mean an individual who has been diagnosed by a physician as  
24 having Alzheimer's disease or another dementia-related illness  
25 and who has been certified by a physician as being unable to  
26 perform for at least 180 consecutive days at least one activity  
27 of daily living without substantial assistance from another  
28 individual due to loss of functional capacity. "Activities of  
29 daily living" include eating, toileting, transferring, bathing,  
30 dressing, and continence.

31 An applicable individual shall only have one eligible  
32 caregiver for purposes of the credit. A taxpayer is considered  
33 an eligible caregiver for an applicable individual if that  
34 applicable individual is the taxpayer's spouse or dependent.  
35 If more than one individual could be considered an eligible

1 caregiver for an applicable individual, the person with  
2 the highest net income for the tax year shall be treated as  
3 the eligible caregiver unless each person files a written  
4 declaration that the person will not claim the applicable  
5 individual for the credit. If that occurs, the applicable  
6 individual shall be considered the eligible caregiver and may  
7 claim the tax credit. Also, if no other individual qualifies  
8 as an eligible caregiver for an applicable individual for a  
9 tax year, the applicable individual shall be treated as the  
10 eligible caregiver.

11 The credit is unavailable for any eligible caregiver whose  
12 net income is \$100,000 or more for the tax year in the case of  
13 married persons filing jointly, or \$50,000 or more in the case  
14 of all other persons.

15 The bill applies to tax years beginning on or after January  
16 1, 2018.